GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:164
ANSWERED ON:17.07.2017
Auction of Oil and Gas Fields
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to go for auction of oil and gas fields in the country and if so, the details thereof along with number of such blocks offered at present, company/block-wise;
(b) whether the last New Exploration Licensing Policy (NELP) has not been able to achieve the exploration target;
(c) if so, the details thereof along with action taken by the Government to restructure earlier hydrocarbon policy and to formulate new auction policy; and
(d) whether opinion of the various Public Sector Undertakings under the control of Ministry of Petroleum and Natural Gas and experts/consultants has been taken on the proposed auction policy and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARAMENDRA PRADHAN)
(a). The Government of India has launched the new Hydrocarbon Exploration & Licensing Policy (HELP) and Open Acreage Licensing Policy (OALP) on 1st July, 2017. Under the Hydrocarbon Exploration & Licensing Policy (HELP) bidder will have option for carving out exploratory blocks from the designated areas and submit the Expression of Interest (EOI). Thereafter, blocks will be awarded through international competitive bidding process. The number of blocks available for auction will depend upon on the Expression of Interest (EoI) received during initial window that ends on 15th November, 2017.
(b) & (c). The objective of the New Exploration Licensing Policy (NELP) was to attract the private investment in oil and gas sector to enhance domestic production. Nine bidding rounds were held. The NELP policy was based on Production Sharing Contract where Government take depends on sharing of profit petroleum, based on Pre-Tax Investment Multiple (PTIM) after cost recovery which resulted in many arbitration /court cases. Government has launched the new Hydrocarbon Exploration Licensing Policy (HELP) and Open Acreage Licensing Policy (OALP) with the objective of boosting the production of oil and gas in the Indian Sedimentary Basins. The salient features of new Hydrocarbon Exploration & Licensing Policy (HELP) are as follows: -
? Single License for conventional and unconventional Hydrocarbons.
? An Open Acreage Licensing Policy.
? Easy to administer Revenue Sharing Model
? Marketing & pricing freedom for the Crude oil & Natural gas produced.
? Zero royalty rates for deepwater and ultra deepwater blocks for first seven years.
? Equal weightage to work programme and fiscal share
? No oil cess
? Custom duty exemption etc.
(d). The Hydrocarbon Exploration & Licensing Policy (HELP) was prepared after wide ranging consultations with various stake holders such as public and private operators, service providers, industry and trade associations etc., including Public Section Undertakings under the jurisdiction of this Ministry.
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